

A New Energy Harvest of Biofuels:

***Where are we...and
where are we going?***

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What's the problem?

**The significant international impacts
of our fossil fuel habits are
becoming clearer**

- Environmental**
- Economic**
- National Security**

And in America itself...

- **Fossil fuel price increases – punishing in the city, nearly impossible in the country**
- **More awareness of the connection between**
 - **Clean air in urban areas**
 - **Viable economy in rural areas**

Today's Situation

- **Beginning to level the playing field:**
 - **A few Economic Incentives**
 - **A very few Regional Preferences**
 - **Some Progressive Mandates**
 - **Better information/education has raised the level of understanding**
 - **Another Driver: wildly gyrating fossil fuel costs**



Today's Situation, also

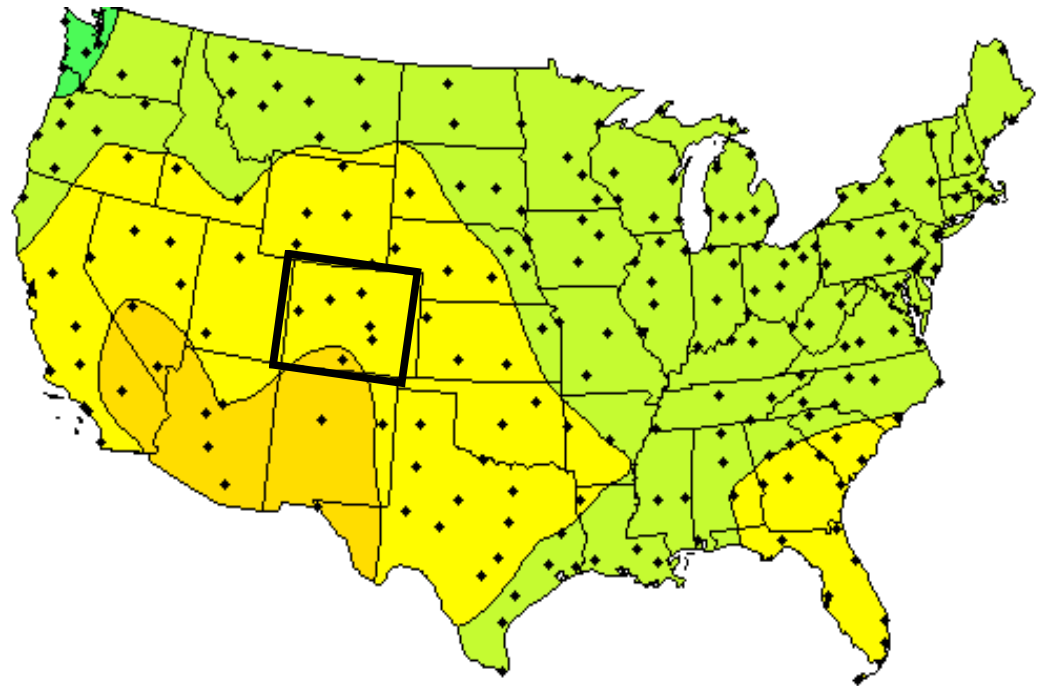
- RE infrastructure is beginning to shape up
 - Over this 24 months, massive RE investment in rural Colorado: \$933M
 - About the total of all other ag investment in cropping/livestock equipment & facilities
- Over half a billion dollars for biofuels
 - 1 small, 3 large ethanol plants and ancillaries
 - 1 pilot, 1 small biodiesel plant and ancillaries
 - Long-term operating expenses to be spent in rural Colorado will exceed \$180M/y



*CO bio-resources can yield
100% of CO fuel demand*

Issues – 1

- **Production/use incentives are still inadequate**
 - RE is disadvantaged in subsidies vs. fossil fuels and fossil power
 - Little apparent will to change existing pollution solutions
 - Political leaders still coming to grips with the possibilities

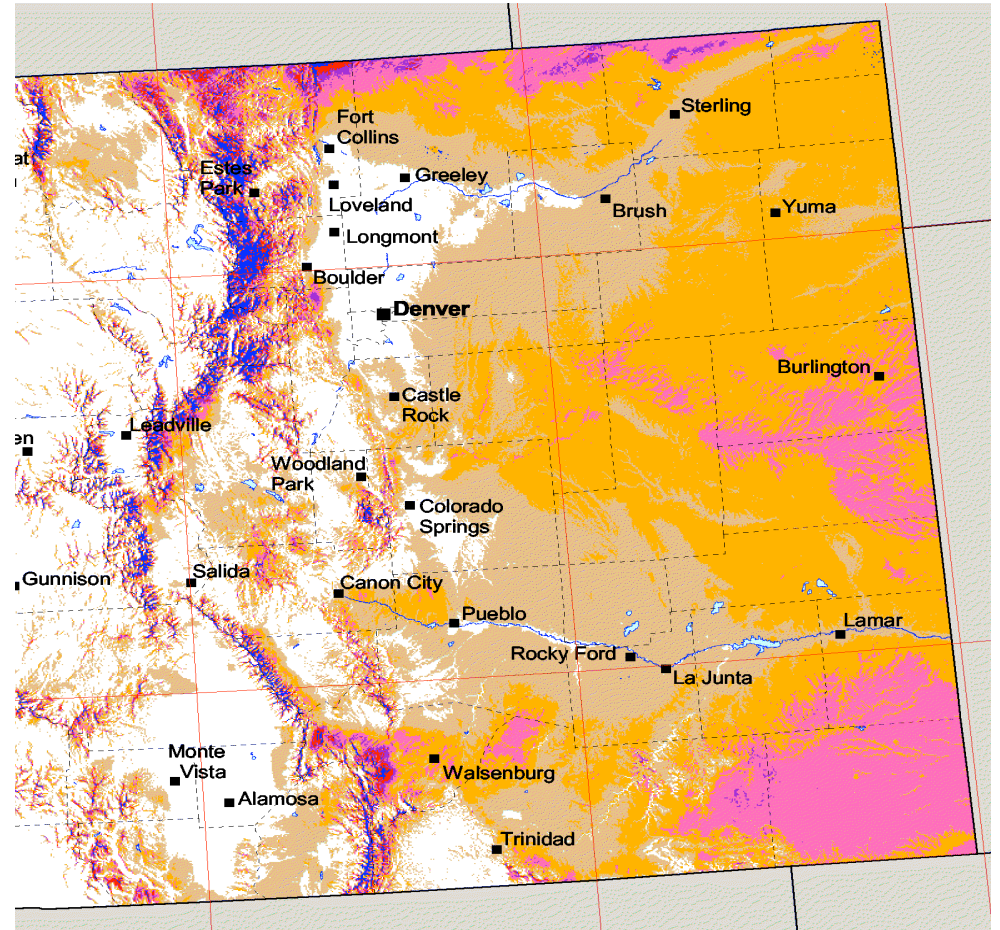


CO solar: better than 2/3 of the U.S.

Issues – 2

- **Regional Preferences are poorly understood; apparent first cost drives most decisions**

- Colorado's energy end-use bill: \$10B/y
- \$8B/y of that to out-of-state vendors
- Our farmers can spend the money better than folks in Kuwait, WY & TX
- Excessive energy imports wipe out the benefits of circulating dollars locally



CO wind: better than 3/4 of the U.S., 10K>3

Issues – 3

- **Renewable Energy mandates are still labeled “unfair” in this free market economy**

–Ignores lack of a free market in energy and the power of well-entrenched interests in the extraction, delivery and combustion of fossil fuels

–Also ignores tax subsidies that support below-real-cost prices of fossil energy



A path forward – 1st step

- **Homework: Gain a better personal understanding of**
 - **The existing energy subsidy structure**
 - **The immediate impacts possible with a change to RE**
 - **The critical rural contribution to the rural-urban connection**



A path forward – 2nd step

- **Support gradually increasing fee-bates to fund the transition to sustainable fuels**

–A fee-bate pays incentives to cleaner community energy

–A fee-bate collects penalties from dirtier imported energy



A path forward – 3rd step

- **Accelerate the transition with progressive mandates recognizing the “public good” of renewable fuels**
 - First target, government fuel purchase
 - Next target, fleet fuel purchase
 - Finally, all fuel purchase
 - A “37-type” vote not needed to integrate clean fuels into Colorado’s vehicles



The Payoff: from Day One

- Measurably cleaner towns and cities
- Fresh flow of income, jobs and career options, urban and rural
- Healthier overall state economy



The Payoff: Mid- and Long-term

–Mid-term

- Improved national security
- More livable towns and cities
- More sustainable rural way of life

–Long-term

- Safer world of cleaner energy



Conclusions – #1

(Does this match your vision?)

- Discover your personal and work vehicle fuel options
 - Make changes now
 - Personal fueling habits
 - Group fueling habits
 - Buy even smarter
 - Smaller, lighter
 - E85
 - Diesel
 - Diesel hybrid



Conclusions – #2

(Does this match your vision?)

- **Get more involved in your community**
 - ID and support leaders working on
 - Environmental links
 - Economic links
 - Rural-urban links
 - Get Active on your own
 - Discover, improve and promote options in fueling and other behavior
 - Support more infrastructure, incentives, preferences & mandates



Conclusions – #3

(Does this match your vision?)

- Add your voice for change, nationally: let your elected reps know you care, and that you vote as if you do
 - Relate your own activities (family and community)
 - State your support for
 - Economic incentives
 - Regional preferences
 - Progressive mandates that shorten energy supply lines and keep more energy dollars closer to home





**Thanks for your interest
and attention**

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